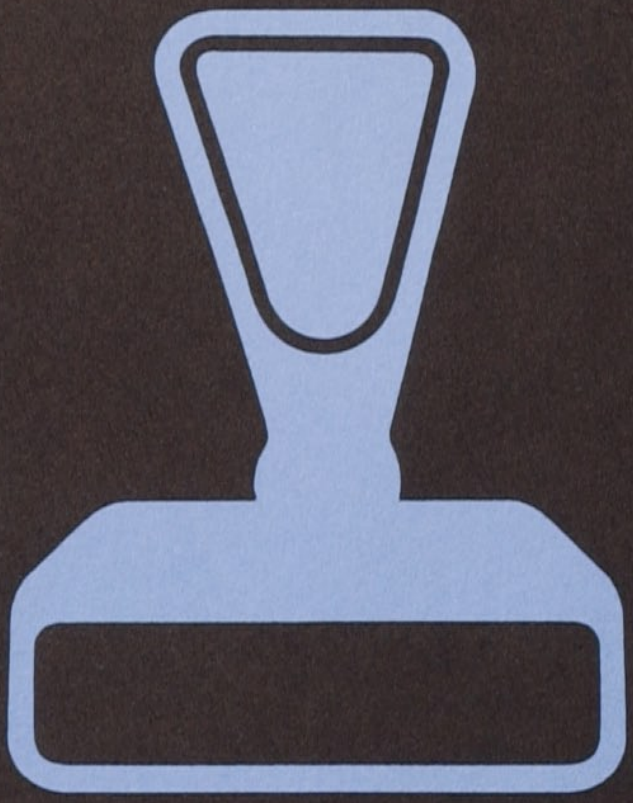
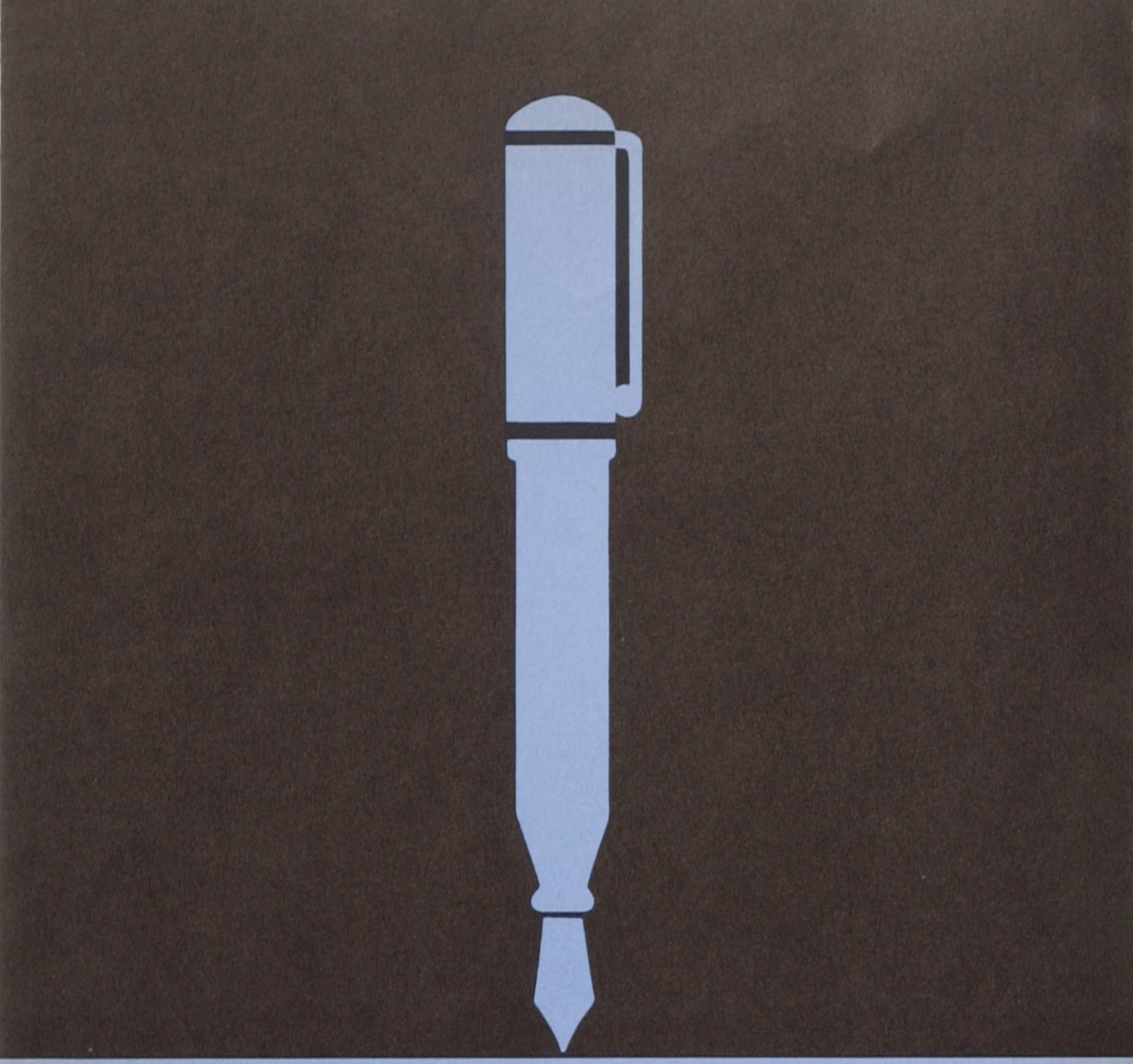
Design Sense

A MARKETING PUBLICATION 37 OF LIPPINCOTT & MARGULIES



CORPORATE IDENTITY (New onrushing complexities demand



a more subtle, sensitive response) *Revisited.*

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Margulies.

Corporate identity must be more felt than seen. The trouble with so many programs implemented in the 1950's, when the subject was first gaining wide-spread attention, is that they were more seen than felt. That is, they were superficial and ineffective.

There was a marked tendency to apply new corporate graphics and nomenclature in an indiscriminate, wholesale way—a mere rubber-stamping of a new "front" on all those communicative elements, from architecture to letterheads, that make up a corporation's visual and verbal presentation of itself to the world.

It must be different today, if only because today's reality demands more. The key to true corporate identity is the intensification of corporate self-knowledge, acquired through study, research and analysis. Then follows the devising of a meaningful system to communicate that self-knowledge. But these expressions, because they are founded on intense self-knowledge, transcend their physical impress. They are more than merely seen, observed. They are truly felt, in the deep, psychological sense, because they express validity. The pages that follow deal with what we believe is the key to corporate identity—the intensification of corporate self-knowledge, and the implementation of **corporate identity systems to express this self-knowledge.**

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CORPORATE IDENTITY

Revisited.

There are any number of examples to illustrate the swift changes, complexities and possibilities of the raging age we live in. The best ones for each of us individually, of course, are those taken from our own lives.

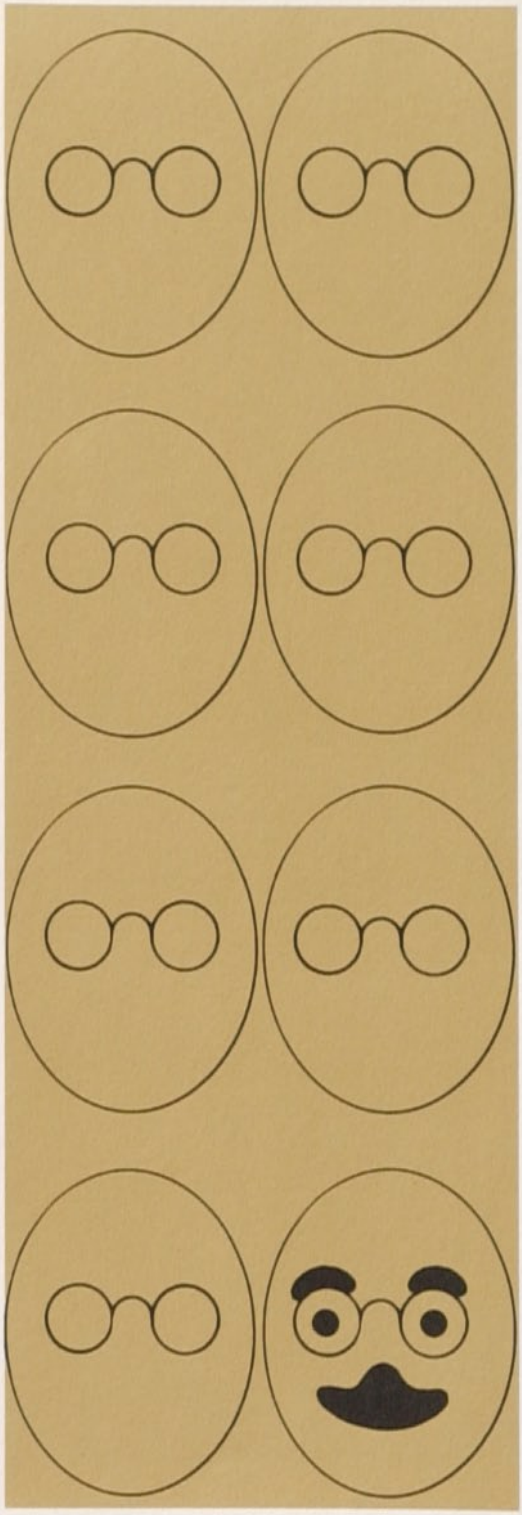
Corporate enterprise, like the lives we live, reflects in one way or another these difficulties and these wonders of the times. Many corporations have been overwhelmed by their problems and been blind to their opportunities, just as in the case of individuals. Others are only beginning to catch up. And a surprisingly large number have made their way very successfully, recognizing the problems, capitalizing on the possibilities.

If these successful companies were to be analyzed closely, one very important element in the strength and stature of many would be found to be a clear and invigorating knowledge, and expression, of identity. That is, they know who they are, they know what they can do, for whom and for how long; they are proud of it and they consistently make expressions of this self-knowledge.

This, as you know, we call Corporate Identity.

When we refer to corporate identity, we refer to a plan and its fulfillment. Corporate identity is made up, basically, of three parts:

1. Corporate self-knowledge, acquired through research, study and analysis. This self-knowledge deals objectively not only with the existing state of the corporation, as simple or complex as it may be, but also with the realistic *and* stimulating goals it sets for itself in the future.



2. The devising of a visual and verbal communicative system to best express, internally as well as externally, this self-knowledge. Almost invariably it will be a *new* communicative system because, by its very nature, self-knowledge involves change, and change requires new expressions. The new communicative system, at its optimum, will affect in one way or another every element of expression from architecture to letterheads.

3. The implementation and supervision of the new communicative system, in desired ways, throughout the entire corporation. Without high-level, crisply defined authority to direct corporate identity activities, the program inevitably will fall apart.

It should be emphasized here at the beginning that corporate identity is not simply a matter of conformity or a certain consistency throughout the corporate family in the area of graphic design. It is that, to be sure; but it also must be much more. As the corporate structure and its over-all goals are defined as more complex, the corporate identity system and its implementation become more challenging. Nor should the word "identity" be interpreted as meaning "identicalness"—the automatic and rubber-stamping of an identical "front" indiscriminately on all phases of a corporation's enterprises.

On the contrary, useful corporate identity systems call for a great deal of flexibility and

The successful corporation stands out from the faceless crowd of its competitors. Through research and analysis, its best features are found and successfully dramatized.

specialized judgment with respect to particular situations. The profoundly important aspect of corporate identity is undoubtedly the study, the research and analysis that first must go into arriving at the corporation's realistic awareness of itself, its goals and long-range objectives—its near-term and far-term positioning of itself in the marketplace. Only with this kind of information as the basic frame of reference can steps two and three move forward. And when they do move forward—when they do become real—they will do so in different ways, with different timing and for different reasons.

Challenge of Identity:

Corporate identity is very real and very essential to corporate survival and success. Its challenge is probably as important as any. Thousands of companies have addressed themselves to the task in the last several years; it has become one of the liveliest of issues in the business world. Originally, in the early 1950's, it was popularly thought of as being a matter, essentially, of redesigning the more obvious of the elements of a corporation's visual communications: its corporate and divisional naming and its graphic expressions. Today, however, corporate identity is being increasingly recognized as being a much more complex challenge. We realize now that the challenge covers the entire span of the marketing disciplines. True corporate identity programs must be based, first and foremost, upon objective and detailed information that leads to intense and thorough self-awareness. This self-awareness must be projected in convincing ways in line with the corporate objectives. All this must be done systematically and with authority. Modern management has, in other words, acquired a wholly new view of its communications function—a new view that not only welcomes communications as a member of the corporate family, but as a dominant member.

It was said earlier that the swift changes, complexities and possibilities of the world we live in are at the root of today's challenge of identity. A very good example, on the human level, of what we are talking about when we refer to the challenge of identity can be taken from the life of one of our friends. We are sure you can think of several such examples from your own experience.

Our friend—let's name him Peter Moore—was born forty years ago, in 1924, in a small, upstate New York town. His father was a fairly good provider for those times, working as an insurance supervisor and earning about $1,500 a year. His son Peter grew up, experiencing his share of hard knocks and good times. Things were rough during the depression. The father lost his job but the brothers and sisters pitched in and they pulled through. Later, with an uncle's help, the oldest boy was sent to college. But there were never any real plans for sending any of the other children to college.

The family had little savings. Their vacations were spent on a nearby lake. If

any of them caught a bad sore throat, he recovered more or less on his own. The books in the house certainly didn't number over two dozen. Every time an airplane went overhead, which was not too often, all the neighborhood children shouted,

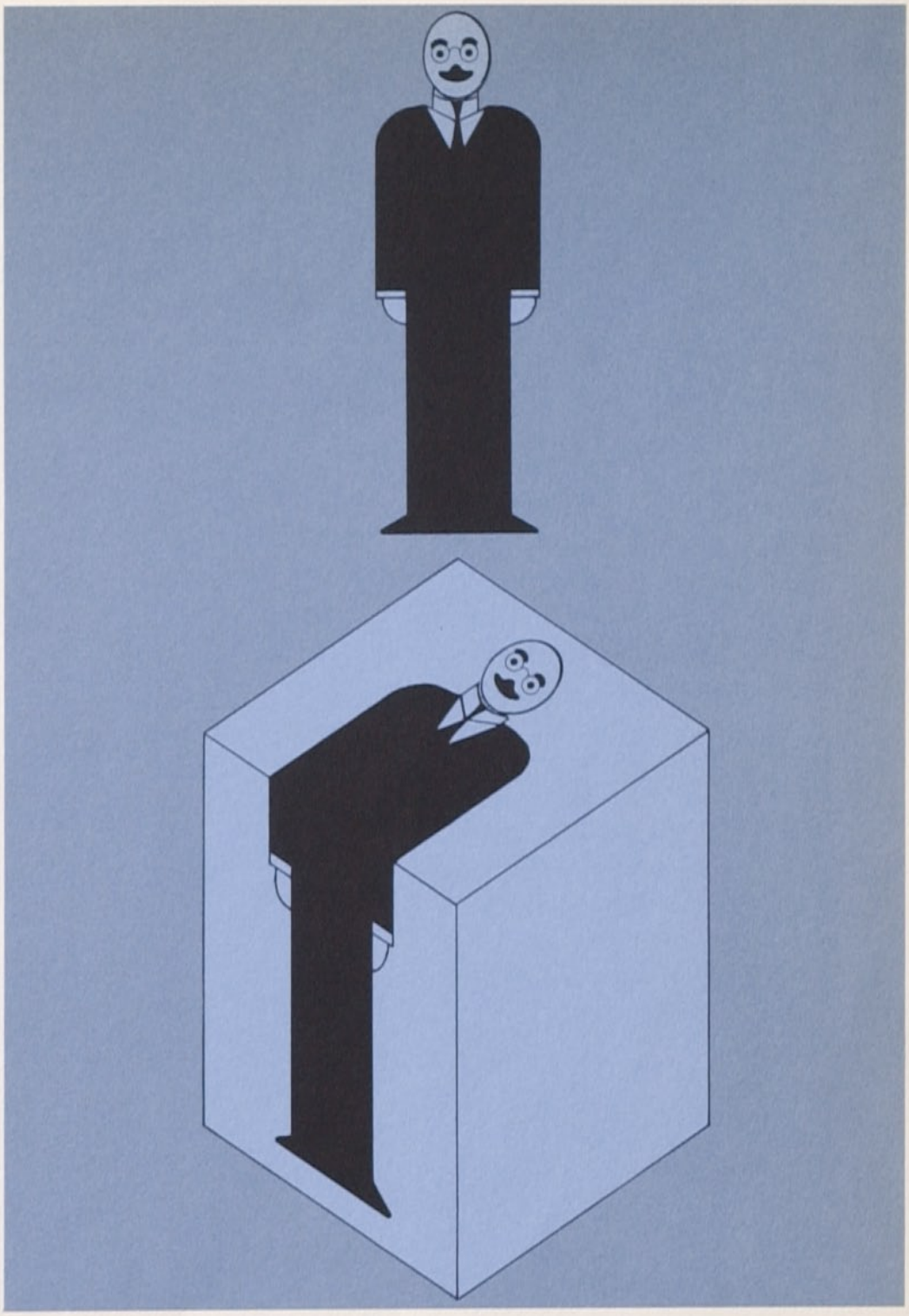
"There goes Lucky Lindy."

Television, jet airplanes, college, intense cultural interests, leisure, world travel, job security, high incomes, the modern marvels of medicine, the real possibility of a world of plenty, *and* the nuclear tensions of today—these were unknown.

Sudden, Radical Change:

Yet, in the space of a very few years these things were to happen and Peter Moore's life was to change tremendously. World War II and its aftermath of technological advance, the assumption of world leadership by the United States, the rapid economic recovery of war-ravaged nations and the emergence of many others from the throes of colonialism—all this had profound and totally unexpected effect upon the life of our friend.

He went to college on the GI Bill, started a major in chemistry and switched to political science. Later, he obtained a graduate degree in business administration. He became a world traveler as a matter of business. He is conversant with three different foreign languages. He can look forward to earning more in a week than his father did in a year. He has written a book on the military campaign in Burma during World War II.

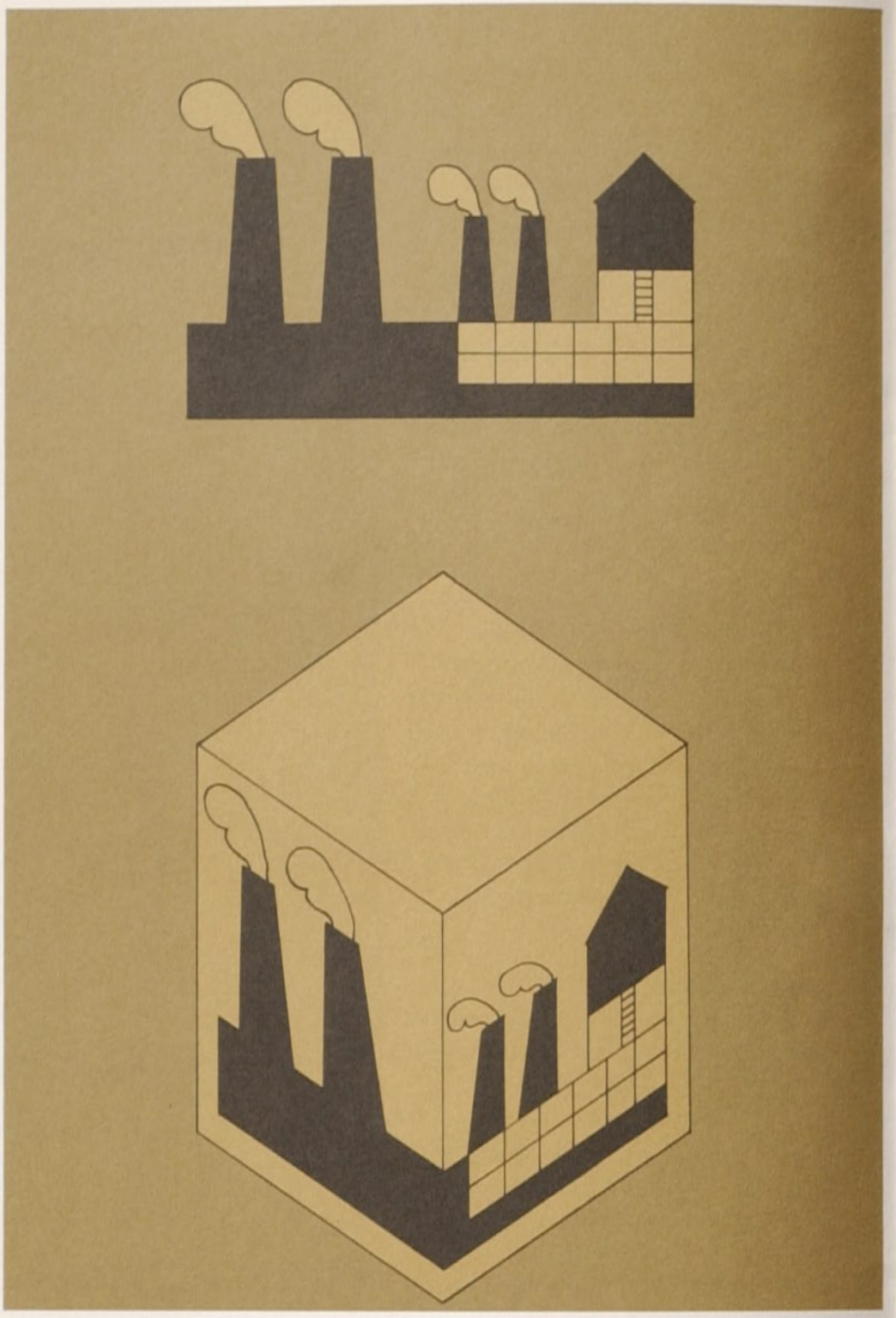


Though several sides of his personality may simultaneously be in evidence, Peter Moore maintains a strong and well-defined identity.

Moore is an example of a modern man who has been fortunate in taking advantage of the wealth of opportunities that came his way, while successfully coping with the problems inherent in our 20th Century life. Many of his interests would seem to be contradictory, yet he lives in harmony with himself and his world.

One of the most significant things about Moore is that he has a **presence**. People know he is there and, somehow, consistently so, but not necessarily identically so on every occasion. His friends see different sides of him at different times, under different circumstances, yet there is a cohesive factor in his make-up that integrates his personality. This is what is meant, finally, by **identity**. Although a man of diverse interests, a microcosm of the changing (and, we still hope, improving) world, he has through the force, intelligence and integrity of his personality clearly established an identity before first, himself, and then his fellow man. He has done this through his presence —his performance, his appearance, his voice, his manner, and, most importantly, his demonstrated beliefs and convictions.

There is no doubt that it is much more difficult to do this nowadays. Moore may have become an exceptional man, but somehow he has managed to achieve significance and to be able to express it. We cannot go into how he accomplished his forceful and attractive identity. The fact is, for our case, he did—as we all must do.



The successful company also maintains a strong linkage of identity, no matter which side, facet, division or product is exposed. This is achieved through a comprehensive corporate identity *system*.

It is the very same with most corporations today. They must establish clearly their identities, first, before themselves, and then before a world of customers, or they will not succeed. They must do so because the complexities of the world they exist in demand it of them for survival.

In The Corporation Today:

In terms of corporate life today there are three key challenges that make it so imperative for a corporation to discover and express meaningful identity. They are:

1. Corporate growth and diversity.
2. Product proliferation.
3. Mass communications and their rising costs.

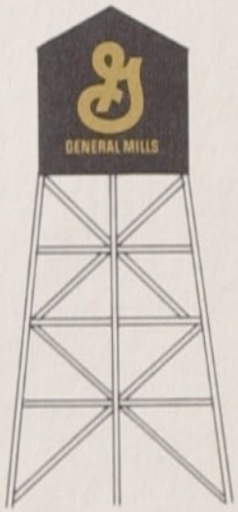
Of course, there are other factors involved in the challenge, but they are all implicit in the above. Vast technical change, the population explosion, higher discretionary incomes, increased consumer sophistication, competition from abroad—all these add to the dense, involved, competitive picture today. Corporate identity presents the most direct, impressive and economical means for piercing through today's communicative maze to a company's targets.

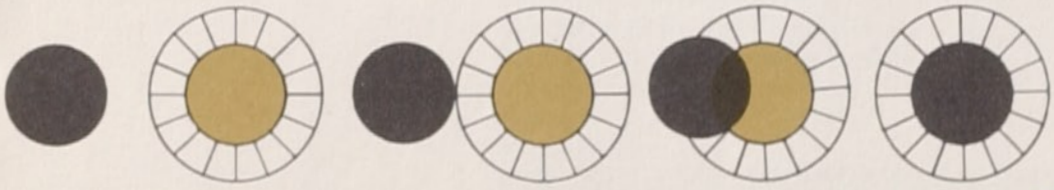
Back in 1924, there were some 190,000 incorporated business enterprises in this country. Today, there are over a million more. If it is agreed that the "good will" of a corporation is a valuable thing and that it has a real influence on its sales and profitability, then it will also be agreed that this "good will" should be as clearly and convincingly expressed as possible. This is patently difficult when we are in a state of a corporate "population boom" wherein the equities of one company tend to obscure or neutralize those of another.

It is difficult but it has to be done.

In the welter of companies shoving and elbowing their way in the market-place, what chance has the insipid company, the company without a dynamically real and expressed identity, what serious chance has the company to grow significantly, let alone achieve what quite possibly is a great potential?

The seriousness of the problem, however, doesn't end there. The competition for consumer recognition and acceptance is not quite that simple. The warfare becomes even more confused and hazardous because, as is very often the case today, the corporation as a parent organization, having affiliates, divisions, subsidiaries, dealer organizations and so on, many times finds its associated organizations unwittingly warring against it, as well as warring among themselves; and this warfare is most intensely evident in the area of communications. This usually happens within the corporate family because each member has, largely through the accidents of fate, built up a somewhat fragmented sense of identity, some most disconcertingly stronger than others, yet none of them expressly related or integrated, one with the other,





Eclipse of a company's identity may result from growth in number of competing companies and their growing communications to your public. Eclipse may occur slowly and take you by surprise. It means that your star no longer shines as brightly before your public.

and therefore many times at odds with each other. If they were all pulling together, if their separate identities were all clearly related to the parent, would not the power and prestige, the "good will" of one support and enhance that of another?

Now there may be exceptions to the conclusion implied here, the conclusion that it is best to have all the familial identities definitively a part, or closely related to, the parent identity. There may be and there are. But, perhaps, these are only apparent exceptions, temporizing exceptions, that will disappear as time goes on and the fine edge of competitive life becomes finer in the mass-marketing, on an international basis, in the automated years ahead. Only the passing of time can answer that question. The exceptions, of course, would be those giant industrial empires whose vast wealth and power make it advisable for them, for world-wide practical and political reasons to maintain loosely a protection of their own and inter-related identities.

Need for Plan and System:

But the basic principle of corporate identity still holds. It is always a matter of degree. And the degree, type and timing of corporate identity, as a plan and a system, will vary from situation to situation, following cues given it from long-range planning, growth and diversification plans. The basic principle of identity—that a company should clearly know itself (what it is really producing, why, for whom and how long) and that it should convincingly project this self-awareness in a variety of ways, from architecture to memo pads to policy pronouncements—this principle still holds, although the company may choose different methods and different timings to accomplish it.

What is inexcusable today is not to have a corporate identity plan and a system; and a reason for taking some action or not taking it, no matter in what stages, in an orderly way that relates to a definable goal.

Our example in human life, Peter Moore, didn't build up his attributes of identity overnight. And they arrived at fruition only after he had matured, gained awareness, knew what he liked, where he was going and why. This is the basic principle. In business life this is the key role the marketing disciplines must play. They must perform the acts of analysis, the most important functions of all, in arriving at identity.

Product Proliferation:

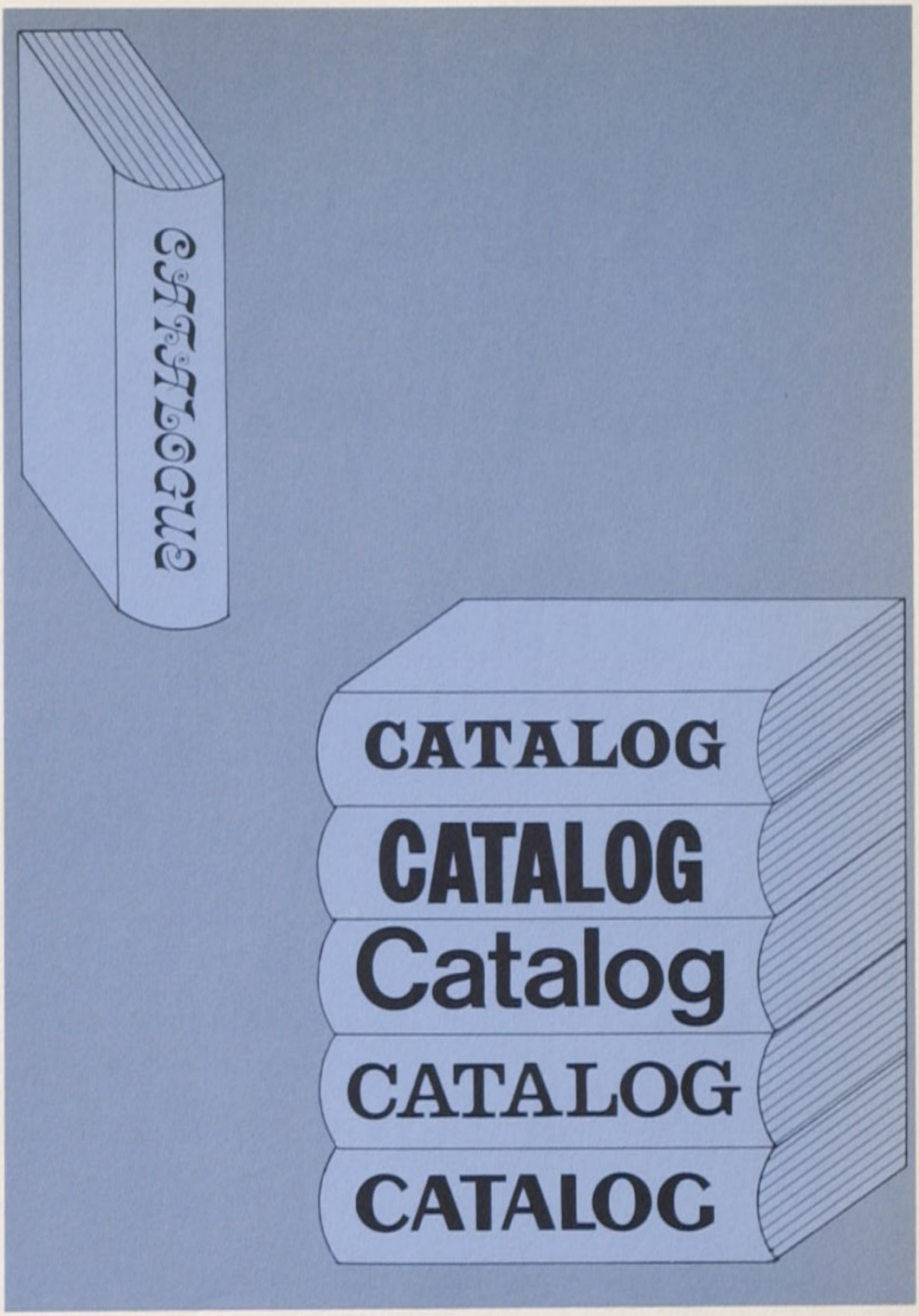
As a comparison, we've been using 1924 versus 1964—forty years. We could have gone back even further in time for more dramatic effects. It's been only sixty years since the first airplane, for instance. On the other hand, perhaps it would have been more dramatic to use only a five-year span as the basis of comparisons. The close observer would realize the ungodly increase in military weapons technology. He would be conscious of space explorations, the race to the moon. He would be awed and excited by the scientists' discoveries in the nucleic acids that open up whole new possibilities for pursuit of the secrets of heredity.

However, forty years, a figure picked at random, is a pretty fair selection. We would guess that the average age of our readers is somewhere near that. In any case, it serves as a good span within which to consider the tremendous increase in the number and type of products that constantly challenge the ordinary consumer's attention.

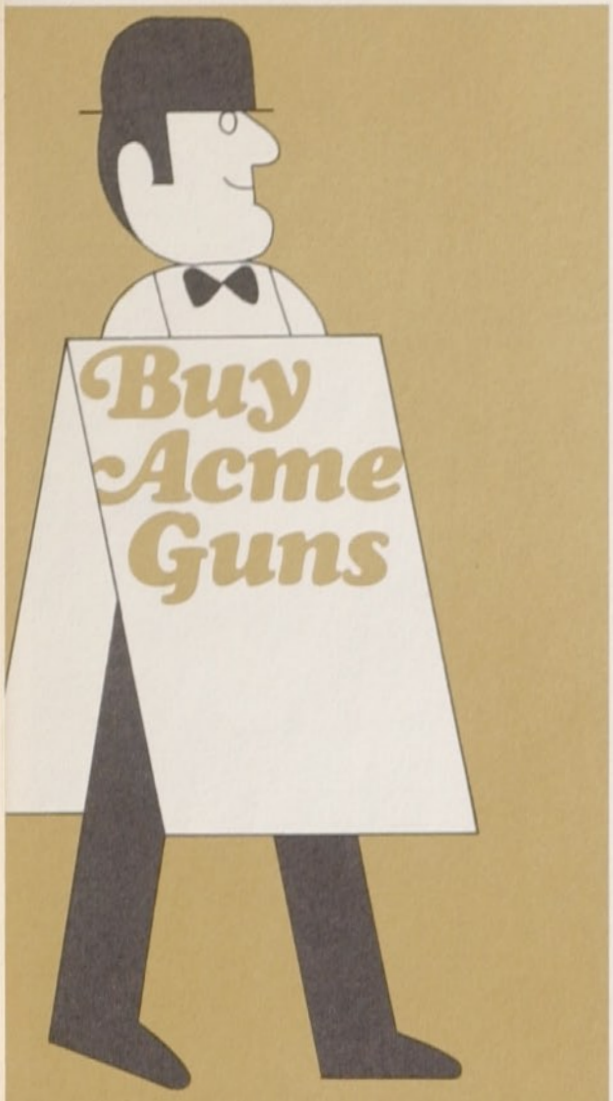
A general merchandise catalog, such as the Sears, Roebuck catalog, is an excellent artifact of the times. All one has to do is to go back, if only in his memory, to the catalogs of yesterday and compare them to the ones of today (and they themselves have greatly increased in number). From a comparison of the contents of both sets of catalogs the reader will see how the number and kinds of products have increased over the years. If the catalog reader of 1924 were suddenly to turn to one of today's voluminous, paginated bazaars (no time capsule should be sealed without a catalog) he would recognize many familiar types of products, but for countless others he could only have a reaction of incomprehension.

Today, product density is overwhelming.

This is obvious all around us. Probably the most harrowing proof of this can be found by spending a few hours viewing television commercials. Again, this is only part of the story. Keep in mind that we



Today, there are more and more products.
More corporations. More competition.
And more people for you to get through to.
You can cut through this density
by systematic planning of all your
communications.



have been referring only to manufactured consumer items, not mentioning at all the complications that are added to commercial communications from the huge and all-pervasive industries that offer services, not products. Today, in a very real and immediate way, services and products are all thrown into the same competitive pot; a new car is in competition with a vacation in Italy.

If all this is hard upon the consumer, it is just as hard on the manufacturer. He has to attract customer interest, maintain it and "close the sale." In this ***diversity*** and **density**, this complex competitive situation, imagine the difficulties involved for the corporation having important stakes in a variety of areas, such as consumer products, industrial, military and space products, as well as certain interests in the service areas. How is such a corporation going to make its voice most effectively and efficiently heard among all the distracted publics of its concern?

Promoting the product is not enough. Full-scale corporate identity programs are the only comprehensive answer, and this is so because such programs bring to bear upon the marketing success of a single product all the prestige, equities, "good will" of a corporation, in all its aspects. In this way, over a period of time commensurate with the force of corporate identity implementation, the full range of communications made on behalf of one product or corporate activity becomes a communication for all the other products or activities. Only a corporate identity program can accomplish this.

The corporation with a "split-personality" producing items as diverse as "guns" and "butter" or industrial acids and women's lingerie fibres, has a definite challenge in communicating its unique qualities through a unified personality.

Corporate identity means the over-riding projection, first, of the corporate esprit by means of every sales message, every corporate or divisional activity. When all these messages are perceived by the public as being integrated, as being part of a significant whole, then the public's consciousness becomes alert and responsive to *all* the corporation's communications as never before.

Again, the company must fulfill the first step in a corporate identity program, before it undertakes integration and projection of its communicative activities. The corporation must gain intense and thorough self-awareness. This is very much marketing's domain. In the course of this search for self-knowledge, the company may very well find that while it is planning to produce "*butter*" it also intends producing "**guns**."* In terms of public expression, the identity of a "gun" manufacturer may not necessarily be a convincing endorsement for that member of the corporate family producing "butter." (It may not, we say. But we say it with reference to now, to today. As consumer sophistication increases, it may not become difficult to "believe" in the corporation making "guns" as well as "butter." We believe this will become increasingly the case. Certainly, the trends indicated in the footnote below bear this out.)

*This is, of course, a hypothetical and extreme comparison, or so it might seem to some. However, the comparison serves a point. Complex industrial enterprises do have strange bedfellows under their corporate blankets. What, really is more delightful than the old-line railroad car manufacturer who today is producing esoteric space equipment? How about the corporation making **industrial acids** and *women's lingerie fibres?*

But this is only a variation upon a theme. If the subsidiary producing "butter" needs public expression somewhat different—and probably for a while only—from the subsidiary producing "guns," the first must nevertheless articulate *his* identity convincingly, consistently, significantly. And *he* cannot be at odds with the communications made on behalf of *his* milk and cheese products.

We are not saying that divisional or subsidiary identity should be distinct from that of the corporate parent. Almost invariably there are ways of devising transitional communicative elements for the division or the subsidiary with the aim, ultimately of thorough integration with the corporate parent's expression of identity. The fact of life is that some subsidiaries can be moved faster than others—for one reason or another. But the issue should not be forced if research and analysis reveal that a uniqueness of situation, for whatever reason, practical or psychological, requires special timing and special methods of re-introduction to the publics involved before it can fully relate, communicatively, to the corporate parent.

Ultimately and ideally, of course, each member of the corporate family should *not* convey a separate identity. In time the communicative efforts of each should be used to support all corporate members, with the identity-expression of the parent company serving as the magnetic center. In this way, the corporation will begin to build the integrated expression of a broad and

The answer to this problem lies in a carefully integrated corporate identity system; a system that is not a mere "rubber-stamping" of a trademark or logotype, but successfully includes and integrates mark, nomenclature and product identification.

diversified company. And there will begin to be established the warm public conviction that the corporation is eminently capable of producing railroad cars and space equipment, lingerie fibres and industrial acids, even "**guns**" and "*butter*."

Communications and Cost:

If it is already being said that we are suffering from an excess of communications today, imagine what it is going to be like in the not-too-distant future. Today, we are shouted at and cajoled by "advertising messages" at any and all moments of the day and in every conceivable way. It has been estimated that some 1,500 such assaults are made daily upon the average man's consciousness. Newspapers, **television, radio,** magazines, billboards, *direct mail*—there is not a single vehicle of communication exempted nor hardly a moment or method overlooked in the relentless onslaught.

The future possibilities are even more overwhelming. With Telstar and its sequels, international communications will dwarf our current problems. They may very well present monumental conflicts that can only be handled at the highest governmental levels. We all wish to avoid that kind of a situation, but if communications continue heedlessly to be massively irrational (and this from a business standpoint), some control from outside the business domain will surely step in.

This is not the only concern. At this moment the central problem for industry's communications is to have them heard, seen, believed; and this amidst all the communicative *clamor* which is our constant fare. There are now two prime ways of doing this —to be massive in your effort and to be clever. Both methods are extremely costly. And both effects are by no means invariably effective.

They are sometimes quite ineffectual because everyone is doing it. Everyone, it would seem, is spending millions upon millions of dollars in costly, clever advertising-promotion campaigns. But if everyone is being both massive and creative, it is clear that just as in the field of economics there is a point at which the "law of diminishing returns" begins to operate, so in advertising and promotion there is a very similar law at work.

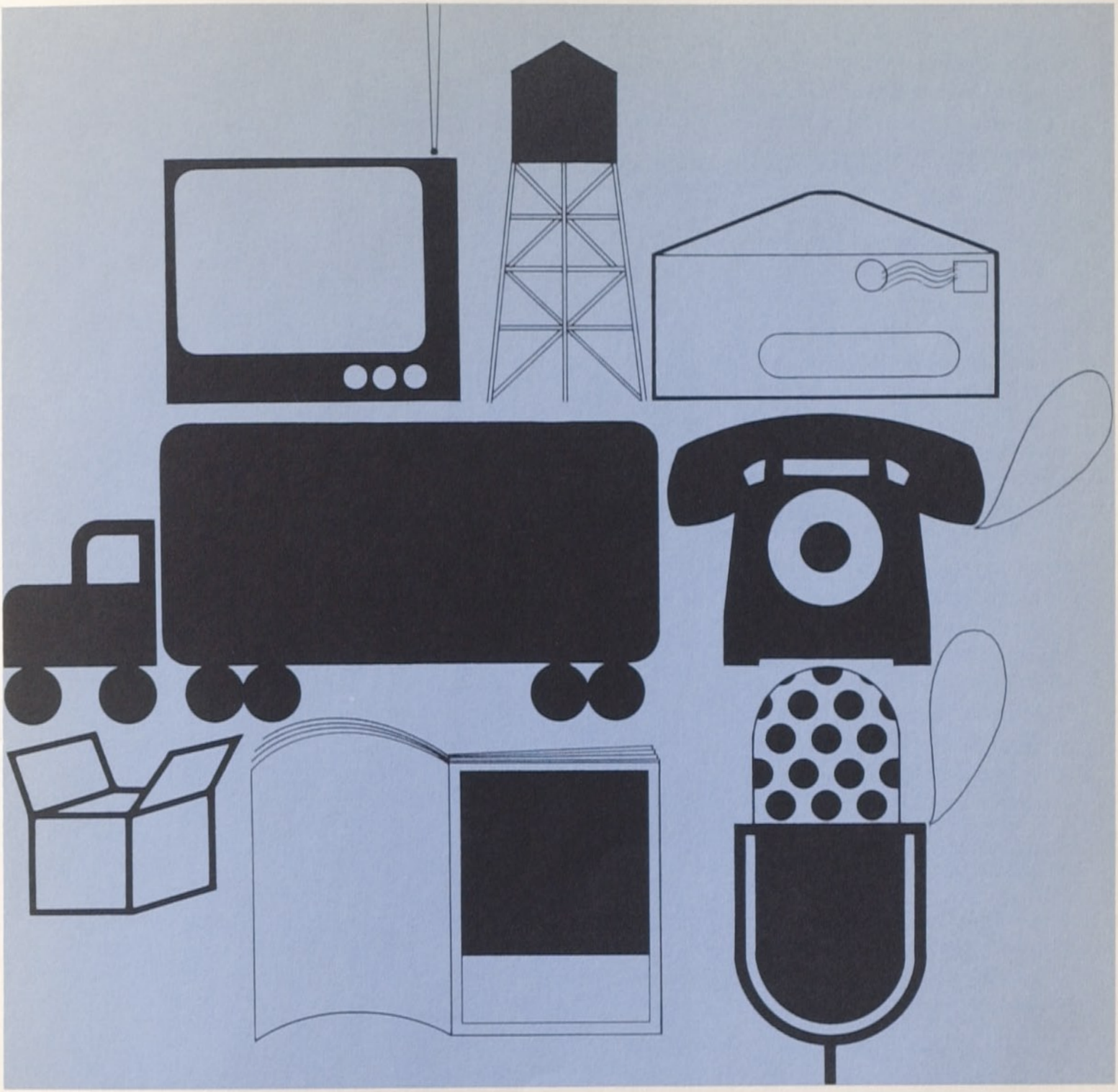
Also, communications costs are getting out of hand. The burgeoning expenditures for advertising campaigns, for instance, have far outpaced increases in business income and profits. To keep steam in current advertising efforts, without considering the need for stepping up these efforts to maintain pace with competition, is going to take more and more out of industry's profits. This will cut deeply into industry's research and development budgets, as well as the vast capital outlays it must make for modern plant and productive facilities.

In the postwar years, communications costs have jumped well over 100 per cent, while industry's profit rate has struggled up by only

Communications Cost (in billions of dollars)

Percentage of Increase for United States Industry during:	1959	1960	Change
Communications Cost (Measured Media)	5.7	11.9	+108.4%
Business Income	242.0	417.0	+ 72.3%
Profits	43.0	44.0	+ 4.3%

Source: United States Department of Commerce



Every company that addresses the public-at-large is your competitor. Every communication—visual, verbal or personal competes with yours. Only a successfully implemented corporate identity system will make your communications meaningful, effective and memorable.

4 per cent. This is by no means an adequate comparison because, beyond any doubt, the degree of effectiveness of any given campaign with respect to its increasing costs has by no means been favorable. You have to spend more and more to get less and less.

What to do about it?

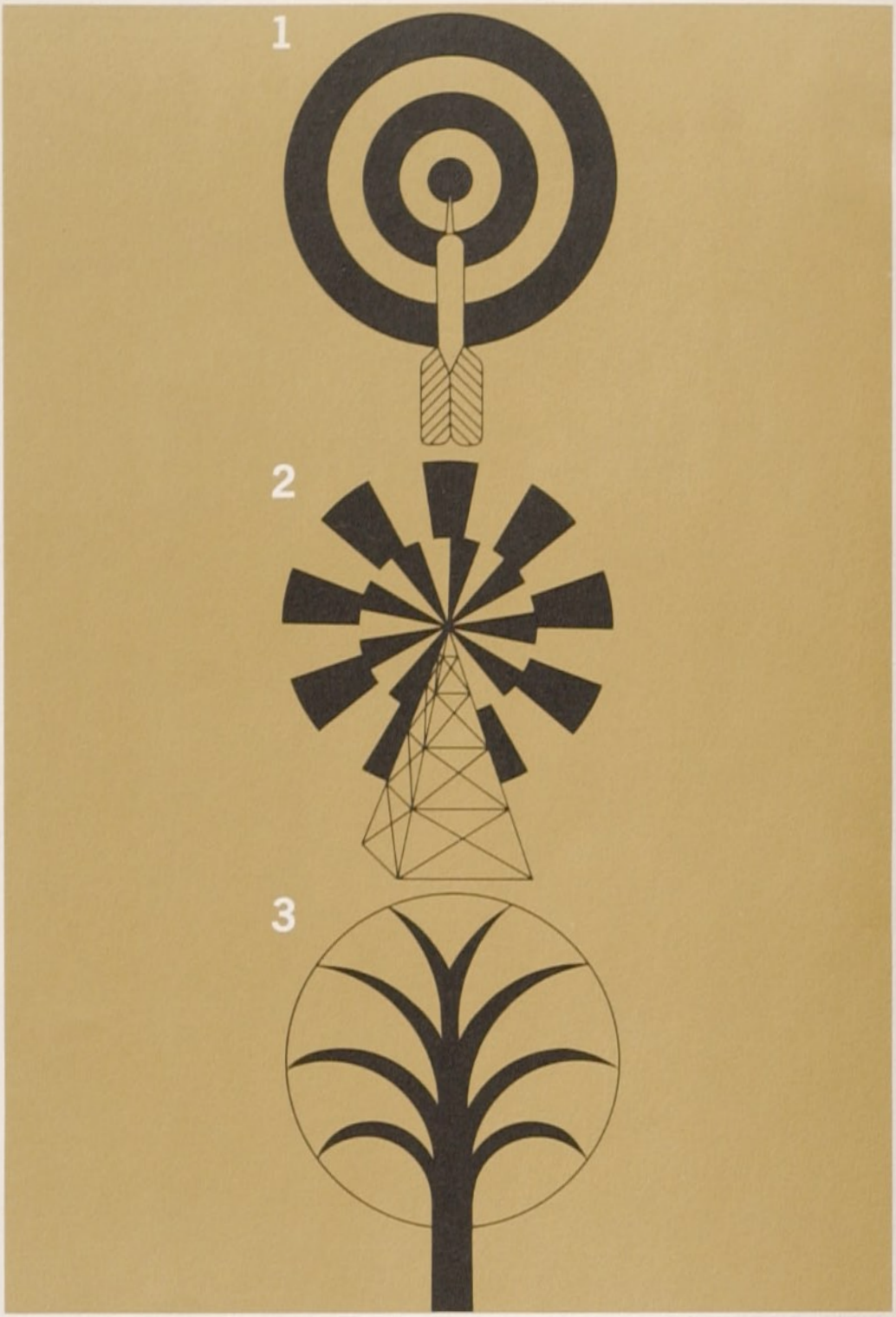
The corporate identity philosophy is only part of the answer, of course, but it is a very important part. Rising standards of living and increased educational opportunities cannot help but have a beneficial impact upon communications standards and methods. In advertising, we feel, the practice of harsh, unnerving repetition, the vulgarization of taste, and the insinuation of exaggerated claims will be discernibly ameliorated.

But the communications problem is one that industry has to face now. Industry cannot wait for an improved social climate. Out of its own self-interest of making its voice more effective and efficient *today*, industry has to take new actions of its own. Corporate identity planning and the resultant systemization of all communicative activities are utterly essential.

Summing Up:

In talking about corporate identity and the complicated competitive environment which makes it so pertinent a topic, we have emphasized the following points:

1. Clear, consistent, properly targeted and mutually supportive corporate com-



1. Know yourself. Aim to express your identity. Zero in on your sales target.

2. The ever-widening circles of systematic communications each reinforce the others. The total effect is cumulative.

3. Sound corporate identity systems, especially for growing companies, both at the *top* of the corporate structure, spread within the company and branch out into the public.

munications are the most economical and efficient. But they can only be achieved after the corporation has arrived at a realistic awareness of its position and potential. This recognition of identity, both the current and the aimed-at identity, is the key to corporate identity communications. It is the first step and the most important. It is marketing's function to perform this step.

2. The systemization of corporate communications is necessary for the expressions of identity. It cannot be left to chance or individual discretion. This system, in essence, accomplishes the end that all corporate, divisional and brand expressions and identifications, for example, will be projected in ways significant and memorable; consistent with the over-all policy aims of the company; and in ways supportive of each other. Communications, in other words, will be thought of definitely as in partnership with marketing. The goals plotted by marketing will be conceived of as being also goals that communications, in its own terms, must achieve. Corporate identity involves a very close working relationship between marketing and communications.

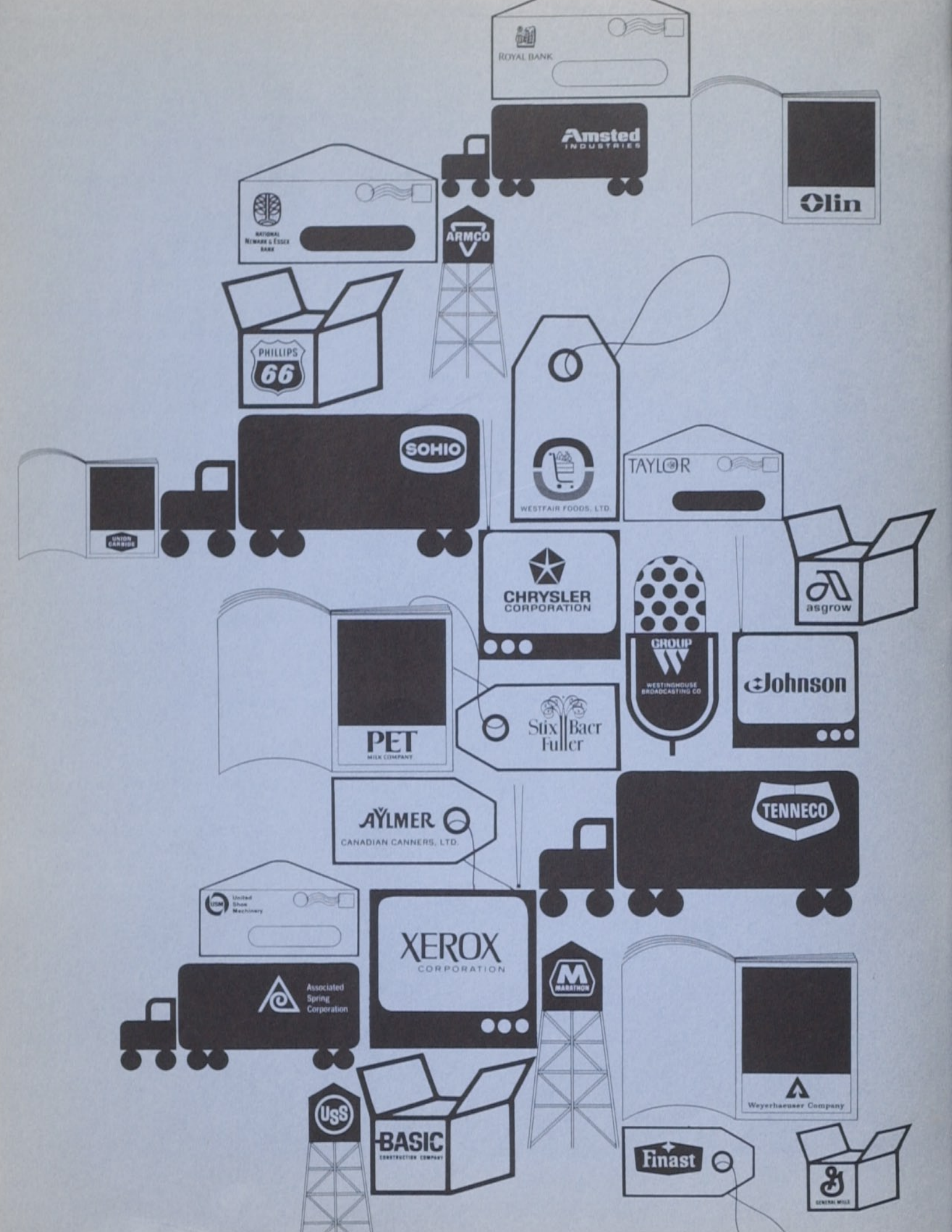
3. Corporate identity implementation, through a high management office, will have the authority to see to it that all communicative efforts will bear desirable identifying factors that have been determined as being in keeping with the marketing goals. Without clear authority, corporate identity activities can easily break down. Misunderstandings, even willful diversions, will occur in expressions being made by members of the corporate family or its agencies, if real authority is not established at a high level.

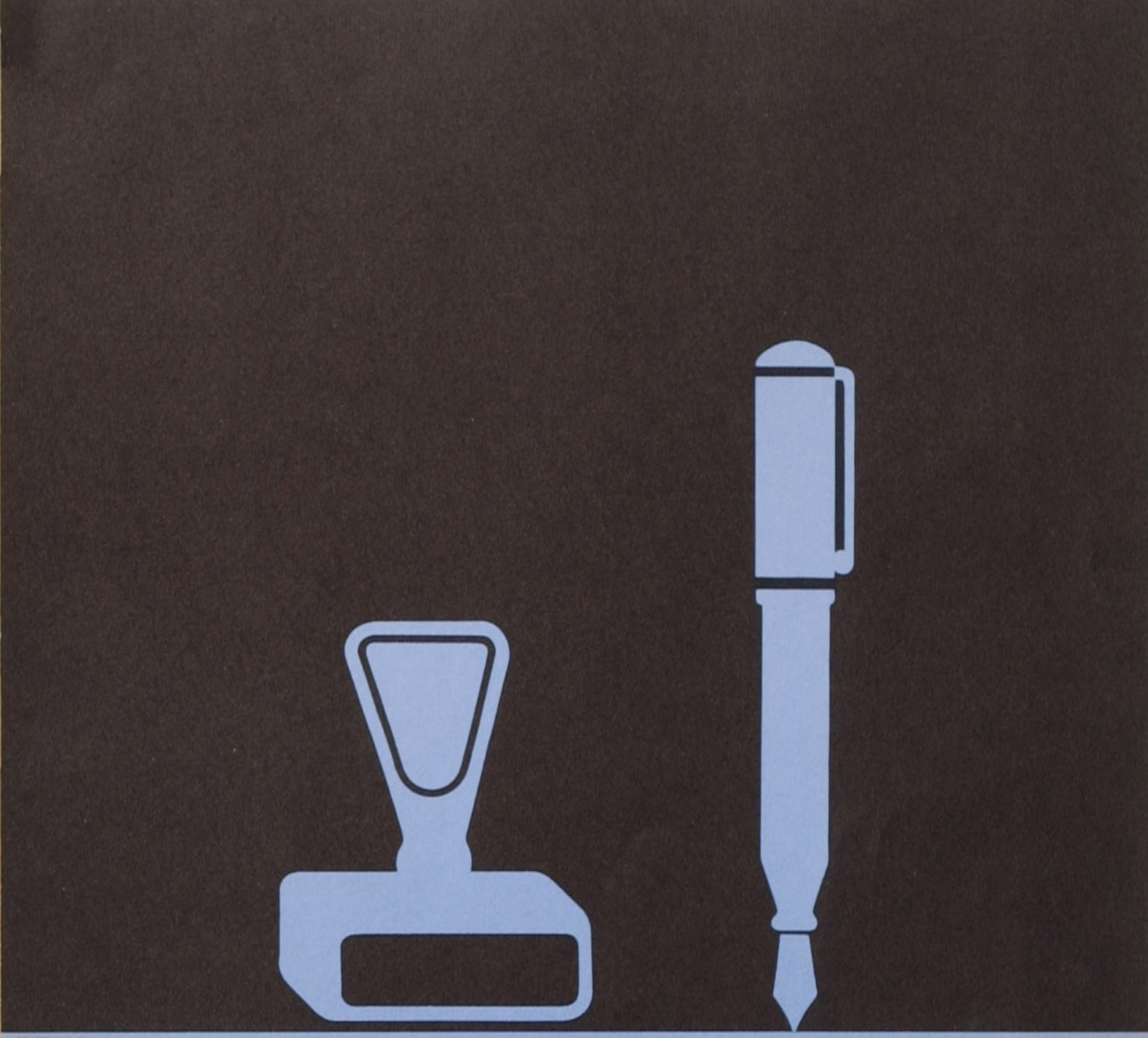
One last and very important thing remains to be said. It concerns what might be called **performance communication.**

You will recall that at the beginning of this article it was said that one of the steps in corporate identity was the devising of a visual and verbal communications system to best express, internally as well as externally, a corporation's self-knowledge. This is all very true.

However, no communicative system, no matter how impressive and well integrated, can rescue a corporation from trouble if it does not deliver a *quality product* in the most efficient way possible to a real and profitable market.

This is performance. It too, is a communication. Corporate identity cannot make up for inferior performance. But granted the corporation's competence and basic soundness, no communications method can give the spectrum, power and economy afforded through a well structured and implemented corporate identity system.


ROYAL BANK
Amsted INDUSTRIES
Olin
NATIONAL NEWARK & ESSEX BANK
ARMCO
PHILLIPS 66
SOHIO
UNION CARBIDE
WESTFAIR FOODS, LTD.
TAYLOR
CHRYSLER CORPORATION
asgrow
GROUP W WESTINGHOUSE BROADCASTING CO
Johnson
PET MILK COMPANY
Stix Baer Fuller
AYLMER CANADIAN CANNERS, LTD.
TENNECO
United Shoe Machinery
Associated Spring Corporation
XEROX CORPORATION
MARATHON
Weyerhaeuser Company
USS
BASIC CONSTRUCTION COMPANY
Finast
GENERAL MILLS



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CORPORATE IDENTITY *Revisited.*

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